

22 June 2011

Dear valued client

Notice on the new Import Verification System (IVS) and the impact to you.

The South African Reserve Bank (SARB) and the Customs and Excise department (Customs and Excise) have developed a new system whereby the clearing and authentication of documents for imports will in future be done electronically and expected to be effective from 4 August 2011.

This will be called the Import Verification System or IVS. Importers will be required to, provide their bankers with a Movement Reference Number (MRN) which will be sent to the SARB. The SARB will reconcile the MRN with Customs and Excise.

The purpose of this notice is to inform our clients of the new system and how to compile the MRN number as well as to give our clients the good news that they no longer have to provide physical copies of import documents, and that documents can be scanned or faxed to us for verification.

Indemnity Form

We enclose a telecommunication indemnity form which should be signed (in accordance with the Resolution held by the Bank) and scanned, emailed or faxed back to the Bank before the new system as mentioned above can be used. Once Bidvest Bank has received the signed, faxed/emailed indemnity, the Bank will request your account managers to collect the original document. The original document can be returned to the Bank via RAM to be kept on our files.

Advance Payments

The Bank will allow, on receipt of the signed indemnity form, clients to proceed with the scanning of the documentation for advance payments, immediately.

The client will be required to provide the Bank with the following documentation:

1. BOP form signed by the authorised signatory of the company.
2. Pro-forma invoice clearly indicating that advance payment is the only acceptable method of payment.
3. Proof of payment.

The following number must be inserted on the BOP form: the prefix "INV" and the invoice number of the actual pro-forma invoice. Provision will be made on the BOP form for this information.

The Bank and SARB will diarise to follow up for the import documentation, CN1, transport document and MRN number. This information/documentation must be sent to the Bank via email or fax once the goods have been cleared. See below for explanation of MRN number.

Sight Payments

The client will be required to provide the Bank with the following documentation for the settlement of sight payments:

1. BOP form signed by the authorised signatory of the company.
2. Commercial invoice.
3. CN1 Customs Release Notice.
4. Transport document i.e. bill of lading, airway bill.
5. Proof of payment.

The following number must be inserted on the BOP form: the prefix "MRN". Provision will be made on the BOP form for this number.

The MRN number can easily be compiled from the CN1 and will consist of the following:

AAA: Customs Office (port through which goods are cleared. Attached is a list of all ports).

CC: Century 20

YY: Year 11

MM: Month 03 March or 11 November

DD: day 22

Customs Declaration number: It will show Bill of Entry number issued by Customs of 7 Digits. If the Customs declaration number is shorter than 7 digits, add zeros at the beginning.

Format for MRN: AAACCYYMMDD1234567

Example: JAS201105120088534 where JAS is the port O R Tambo and the rest is self-explanatory, and the 7 digit number at the end is the number obtained from the CN1.

The sight payment process is expected to commence on the 4 of August 2011. We will inform you closer to the time of the actual date of implementation of the system.

The documents as detailed above are to be sent on booking date to either the email address or fax number below.

The email address is: fxdocuments@bidvestbank.co.za

The fax number is: 086 751 3039

For any queries in this regard please feel free to contact:

Jan Lombard (011) 407 3216 jan.lombard@bidvestbank.co.za

Leonardo Hefer (011) 407 3115 leonardo.hefer@bidvestbank.co.za

Cheryl Simons (011) 407 3069 cheryl.simons@bidvestbank.co.za

Yours faithfully

Bidvest Bank Limited

Mrs. J. R. Murtagh
Head: Payments and Settlements
Direct line: 011 407 3346

Mr. L. Hefer
Manager: Treasury Operations
Direct line: 011 407 3115

Terms of reference:

MRN: Movement Reference Number

CN1: Customs Release Notice

CD1: SAD 500 or old Bill of Entry

CCN: Customer Client number (the number issued by Customs that allows a client to import)

Telecommunication Indemnity Foreign Import Payments

***Corporate Customer**

Name..... Registration number.....
 Address.....
 Represented by me.....(full names), having been duly authorised thereto.

*** Individual Customer**

Name.....Identity number
 Address.....

I/We have requested Bidvest Bank Limited (“the Bank”) to accept fax or e-mail instructions from me/us in connection with the processing of foreign payments. Documents required by the Bank are:

- 1 .Advance payments for Import Documents:
 - 1.1. Pro Forma Invoice/s
 - 1.2. BOP Form (signed by Authorised Signatures)
- 2. Import payments for Goods received and cleared or Sight payments:
 - 2.1. CN1 (Customs and Release Notice)/or SAD 500
 - 2.2. Transport Document (Bill of Lading or Airway Bill)
 - 2.3. Foreign Commercial Invoice/s
 - 2.4. BOP Form (signed by Authorised Signatures)

I/We understand that the Bank will accept such instructions if I/We give the Bank the following acknowledgement, waiver and indemnity, which I/We hereby do.

- 1. I/We agree that in any dispute between the corporate customer / me and the Bank regarding fax or e-mail instructions given to the Bank, the contents of the fax or e-mail document shall be final and binding on the corporate customer/me.
- 2. I/We waive any claim the corporate customer/ I may have against the Bank for any losses, damage or costs the corporate customer /I may suffer or incur as a result of the Bank acting upon my/our fax or e-mail instruction.
- 3. I/We indemnify the Bank and agree to keep it indemnified against all losses, damage, costs or claims which it may suffer or incur as a result of it acting on a , fax or e-mail instruction.
- 4. I/We authorise the Bank to debit the corporate customer’s/my account with it with the amount of any losses, damage, costs or claims which the Bank suffers or incurs as a result of acting on a fax or e-mail instruction.

Signed aton2011

Witnesses

Authorised Signatory/ies

1. _____

 2. _____

1. _____

 2. _____

*** delete whichever is inapplicable**